GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3797
ANSWERED ON:17.08.2001
REVIVAL OF BURNS STANDARD WAGON COMPANY LIMITED
BIKASH CHOWDHURY;SUNIL KHAN

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Wagon manufacturing public sector units of public are incurring losses due to placing of less orders by Railway Ministry;

(b) if so, the details thereof and the reasons therefor;

(c) the efforts made by the Government for procuring more orders for manufacture of wagons;

(d) whether the wagon engineering units of Burns Standard Wagon Company Limited is againfacing the crisis after revival package being passed by BIFR recently; and

(e) the steps have been taken to eliminate the crisis faced by the Burns Standard Wagon Units at Howrah and Burnpur?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) & (b): Yes, Sir. Drop in wagon orders as well as their price has been responsible for losses. The subsidiaries of BBUNL namely, BSCL, Jessop, Braithwaite and BWEL, the four majowagon manufacturing companies in the public sector have collectively incurred losses of Rs.136.43 crores, Rs.128.32 crores, Rs.52.74 crores, Rs.104.17 crores and Rs.84.49 crores (provisional) in the years 1996-97, 1997-98, 1998-99,1999-2000, 2000-2001 respectively. The Railways have been unable to place orders owing to outstanding wagon orders and vigilance checks regarding use of mild steel in place of specified corten steel being supplied by the Railways to wagon manufacturers as free supply item.

(c): The matter has been pursued with the Ministry of Railways at different levels.Additionally, PSUs, have been advised to actively explore the export market and possibilities for diversification.

(d): Yes, Sir.

(e): BIFR reviewed the performance of the Company in a hearing held on 23.02.2001 and directed it to prepare a modified package.